

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1924 – SB 1885

February 18, 2022

SUMMARY OF BILL: Extends the nursing home assessment through FY22-23.

FISCAL IMPACT:

**Increase State Revenue - \$135,925,200/FY22-23/
Nursing Home Assessment Trust Fund**

**Increase State Expenditures - \$135,925,200/FY22-23/
Nursing Home Assessment Trust Fund**

**Increase Federal Expenditures - \$265,804,400/FY22-23/
Nursing Home Assessment Trust Fund**

The Governor's proposed budget for FY22-23 includes \$134,605,900 in state funds and \$263,224,500 in federal funds for the Nursing Home Assessment on page A-32.

Assumptions:

- Based on information provided by the Division of TennCare, the proposed legislation will result in an increase in state revenue of \$135,925,239 in FY22-23.
- Medicaid expenditures receive matching funds at a rate of 66.165 percent federal funds to 33.835 percent state funds.
- The \$135,925,239 will be expended at a state rate of approximately 33.835 percent, thus prompting a one-time increase in federal expenditures at a federal match rate of approximately 66.165 percent, equating to \$265,804,446 $[(\$135,925,239 / 33.835\%) \times 66.165\%]$.
- These state funds will be placed in the Nursing Home Assessment Trust Fund instead of the General Fund, but will continue to be spent to reimburse nursing homes.
- The total increase to the Nursing Home Assessment Trust Fund in FY22-23 is approximately \$401,729,685 $(\$135,925,239 + \$265,804,445)$.

IMPACT TO COMMERCE:

Increase Business Revenue - \$401,729,700/FY22-23

Increase Business Expenditures - \$401,729,700/FY22-23

Job Impact – Not Significant

Assumptions:

- Nursing home providers will incur a one-time increase in federal revenue and a corresponding increase in expenditures in FY22-23 to cover costs of services provided.
- The proposed legislation does not increase the number of nursing home providers; therefore, it will not have any significant impact to jobs.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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